

# Memorandum

**To:** Chairman and Commissioners

**Date:** August 10, 2001

**From:** Robert I. Remen

**File No:** Book Item 4.10  
Information

**Ref:** **FY 2001-02 Rural Transit System Grant Program**

## **Background:**

The FY 2001-02 Governor's Budget contains \$18 million in Public Transportation Account (PTA) funds for grants to rural areas for transit capital improvement projects. While these funds are in the Governor's Budget, the Bill (AB 437) has yet to be Chaptered. The Bill is currently on the Assembly floor and staff expects that when the Legislature returns to session later this month it will pass.

AB 437 is the Rural Transit System Grant Program (RTSGP) and requires:

- Until July 1, 2002, the Department of Transportation (Department) and the California Transportation Commission to establish a Rural Transit System Grant Program;
- The Department to develop guidelines by August 31, 2001;
- The California Transportation Commission (Commission) to adopt guidelines by October 15, 2001; and
- The Department to establish the Program in accordance with the guidelines adopted by the Commission

Eligible grant recipients would include any claimant as defined in the Transportation Development Act (TDA), Chapter 4, Article 1, Section 99203 of the Public Utilities Code, which includes operators, cities, counties and consolidated transportation service agencies.

Grants are to be awarded on a competitive basis for the following purposes:

- To purchase, construct, and rehabilitate transit facilities, vehicles and equipment, including but not limited to energy efficiency retrofits; and
- To purchase rights-of-way for transit systems

Grants are to be awarded based on criteria that include, but are not limited to:

- Project need and effectiveness;
- Filling transit service gaps, including but not limited to, connectivity to other transit systems
- The equitable distribution of funds
- The potential of the project to improve safety of passengers, transit workers, and the general public
- Replacement of vehicles or equipment that have exceeded service life expectations

Grants shall require the following:

- A local match is required which is the percentage of TDA funds expended for purposes other than transit, community transit services, pedestrian and bicycle and transportation planning purposes, averaged over the three most recent fiscal years. The match requirement may not be less than 10% and may not be more than 50%
- A demonstration of maintenance of effort
- A demonstration of financial ability to support ongoing operations of the public transportation services

The Department established a task force, which includes, regional transportation planning agencies, transit providers and other stakeholder representatives with the Department's Division of Mass Transportation staff acting in the role of facilitator/coordinator, and Commission staff acting in an advisory role. The purpose of the task force is to develop defined criteria utilizing the parameters identified in AB 437. The task force is also developing program guidelines to include program purpose, eligible recipients, and the application, evaluation and funding process. An Application Review Committee (ARC) will be established and will include one member from the Regional Transportation Planning Agencies group, one member from the Rural Counties Task Force group, one member from CalACT, one northern member from Caltrans District, one southern member from Caltrans District, and two members from Caltrans Headquarters. The purpose of the ARC will be to review and prioritize eligible applications/projects.

**Timelines:**

The timelines below are the estimated dates for the Program:

Present Draft Guidelines - Department	August 22-23, 2001
Mail Draft Application for Review and Comment	August 30, 2001
Receive Comments on Guidelines and Application	September 14, 2001
Adopt Guidelines and Application - Commission	October 3-4, 2001
Distribute Applications - Department	October 15, 2001
Applications Due to Caltrans District Office	December 28, 2001
Completed Applications Due to Caltrans HQ	January 11, 2002
Application Review Committee Prioritizes Projects for Funding	January 25, 2002
Notification of Project Selection (Draft List) - Department	February 1, 2002
Applicant Appeals - if necessary - CTC Public Transit Committee	February 20, 2002
Notice Program of Projects - Commission	February 2002 - CTC Meeting
Adopt Program of Projects - Commission	March 2002 - CTC Meeting
Report to Legislature - Department	June 30, 2002